



BONUS POLICY AND PROCEDURES

LANCE M. BAKER

**Systems Liaison &
Procedures**

**Army Military Pay
Operations (AMPO)
Defense Finance and
Accounting Service:
Indianapolis Center**

Service To America

- 17 years U. S. Army: 73C Finance
54E Nuclear, Biological,
Chemical
- 101st Airborne Division Ft Campbell, KY
- 25th Infantry Division Schofield Barracks, HI
- 1st Cavalry Division Ft Hood, TX
- 1st Armored Division Nurnberg, GE
- United States Army Armor Center Ft Knox, KY
- 2nd Infantry Division Camp Casey, Korea
- United States Army Finance & Accounting Center
Ft Benjamin Harrison, IN

Service To America (cont'd)

- Department of Defense since 1992
- Supervisor Military Inquiries Branch
- Supervisor Active Component Processing
 - **FORSCOM**
 - **TRADOC**
- Congressional Inquiries
- Financial Systems Analyst since 1999

Service to America (con't)

- Current areas of responsibility:
 - Accessions, enlistment bonuses
 - Separations, REDUX bonus. Disability Severance pay
 - Reenlistments, related bonuses
 - Casualty Operations, Death Gratuity
 - Treasury Debts, AAFES collections, Salary Offsets
 - Courts-Martial, Non-Judicial punishments
 - RETAIN, eJUSTICE interfaces
 - Family Subsistence Supplemental Allowance program
 - Critical Skills Retention Bonuses
 - Remissions, waivers
 - JAG Continuation Bonus program

PRE-September 2003

- Member reenlists
- Copy of contract to local Finance
- Local Finance inputs reenlistment
- Bonus\accrued leave paid
- Bonus: 50% up front, installments
- CZTE based on date of reenlistment

RETAIN Interface

- Cooperative effort between DFAS-Indianapolis and RETAIN
- RETAIN builds our transactions
- RETAIN Washington weekly upload
- Reenlistment processed directly, local finance not involved
- Faster payment of bonus, accrued leave
- RETAIN gets bonus payment data verified

RETAIN Issues

- Human Resource Command ETS date overlay
- Accrued leave data not obtained
- Bonus, leave data left blank
- Cannot pay lump-sum

MIL PER MESSAGE 03-256

- \$5,000 Lump sum bonus
- No multiplier, MOS immaterial
- Afghanistan, Iraq, Korea, Kuwait
- September 19-30, 2003
- Must be in country
- Must reenlist while in country, during specified window



\$5,000 Lump Sum Bonus Issues

- Reenlistment transaction cannot be used
 - No multiplier
 - Flat dollar amount
- Field cannot process
- Central Site workload

Post September 30, 2003

- Customer Service issues identified
- Improvements discussed
 - Need a multiplier
 - DJMS system change to allow lump-sum
- Workload transfer from field to Central Site issue
- Will not be extended

MIL PER Message 04-034

- Extends the \$5,000 lump-sum bonus
 - October 1 – December 17, 2003
 - Removes Korea from target countries
- New bonus effective December 18th
 - Multipliers 1A, 0.5B
 - MOS immaterial
- Intent: everyone gets \$5,000

Mil Per Message 04-034 issues

- Because of Forward Compatible Pay (FCP) cannot change the reenlistment transaction
- Workload still at Central Site
- \$4,996 payment complaint

MIL PER Message 04-108

- Location SRB
- If at installation: reenlist to stay
- If elsewhere, reenlist to go there
- Report No-Later-Than dates
- Listed commands as well as installations

Mil Per Message 04-108 issues

- Paid accrued leave at reenlistment, no bonus
- Bonus payment not authorized until you report
- Lump sum payment
- Units\detachments of command not located at the targeted installations

MIL PER Message 04-141

- Initiated based on soldier feedback:
 - In desert since war started
 - No bonus
 - Service just as valuable
- Grandfathered back to official start of hostilities:
 - Starts March 18, 2003
 - Ends September 18, 2003



MIL PER Message 04-141 (cont'd)

- \$5,000 lump-sum
- Korea not include
- MOS immaterial
- Must have been assigned to one of three targeted countries during the grandfathered window
- Must have reenlisted while in country

Mil Per Message 04-141 (cont'd)

- DFAS coordinates with RETAIN to obtain list of reenlistments during window (15,000)
- DFAS matches reenlistments with deployed status to identify affected soldiers (3,300+)
- DFAS sends out messages to field finance offices
- RETAIN sends messages to Career Counselors
- DFAS sends out eligibility letters via AKO

Mil Per Message 04-141 (cont'd)

- Accounts monitored to match up eligibles with actual payments
- Status reports sent to RETAIN, Human Resource Command, HQDA
- Period of application extended from June 30, 2004 to September 30, 2004
- Second AKO notification message sent out by DFAS

Mil Per Message 04-141 issues

- Lump sum payment
- No multiplier
- Contracts received that reenlisted prior to or after being in country
- Contracts received from soldiers who NEVER deployed
- Not everyone received the benefit
 - 2,400 paid out of 3,300 eligible

Present Environment

- Workload still must be at Central Site
- Improved coordination with Retention Branch
 - Mrs. Carroll, MSG Riley (Army G-1)
 - DFAS gets to review drafts of major changes, can issue policy messages faster
 - Feedback is utilized by Retention Branch
 - Message guidance being used to develop FCP

Present Environment (cont'd)

- Communication issues:
 - Implemented email of scanned images as PDF documents
 - Dedicated email address: ampo-lumpsum@dfas.mil
 - Reduced paperwork requirement for SRB\TSRB
 - Only first page of DD Form 4\1 for bonus
 - DA 3340-R if selling accrued leave
- Military Pay messages published on the web
 - <https://dfas4dod.dfas.mil/centers/dfasin/library/milpay.htm>

Spreadsheet Procedure

- Initiated as a joint effort between Retention and Finance Offices at Ft Hood and Ft Carson and Central Site
- Eliminates the need to scan\fax contracts for most bonuses
- Provides same data as required from contracts
- Using Excel spreadsheet allows for immediate processing through off-line database
- Provides needed training at field level as to what should be reviewed and certified prior to expenditure of public funds
- Successful test March 15 - 30, 2005
- Effective April 1, 2005 until FCP is fielded

Spreadsheet Procedure (cont'd)

- Obtained a RETAIN file of all reups since October 1, 2004
- Purifying data before we can utilize for mass payment input
 - **32,000 soldiers reenlisted**
 - **12,000 no bonus entitlement**
 - **20,000 with bonus entitlement**
 - **16,000 already paid**
 - **3,000 contracts already on hand**
 - **1,000 no contracts, no complaints at DFAS level**
- Once queries are completed, will run all accounts at once, to include those without contracts
- Hopefully start as a weekly RETAIN file once we verify accounts and bugs are worked out

Current Central Site Workload

- TSRB\SRB's on hand: 2,975
- Enlistment Bonuses on hand: 476
- BEAR Bonuses on hand: 123
- Critical Skills Retention Bonuses: 15
- Career Service Bonuses: 68
- Extension corrections 1,127 (May 15, 2005)

Current Central Site Workload (cont'd)

- Staff is smallest among three Centers
- Staff serves the largest (and BEST) service
- Work week is 11 hours a day Monday through Friday, 8 hours on Saturday
- Some effort is utilized for data cleansing to ensure that FCP goes as scheduled
- Responsible for enlistment bonuses, reenlistments and related bonuses\accrued leave payments, separations, and disability severance pay issues and tax adjustments

FUTURE ENVIRONMENT

- FORWARD COMPATIBLE PAY SYSTEM
 - Active Component: Fall 2005
 - Workload shifted back to field level
 - Bonus options: lump sum, 50% and annual increments, increments on set date or anniversary, dollar restrictions from DJMS updated
 - Programming changes implemented faster

Critical Skills Retention Bonus

- Paid since October 2001
 - Medical staff (2001 only)
 - Special Forces
- Lump sum bonus based on number of years soldier agrees to stay
- Initially: SFC: \$10,000 per year (\$40,000 max)

MSG: \$8,000 per year (\$32,000 max)



Critical Skills Retention Bonus (cont'd)

- Current: SSG through SGM
- Max is \$150,000 for 6 years
- 10 additional critical MOS's added January 2005
 - SFC, MSG only - \$50,000 max
- Payable 19-25 years of active duty
- Exception to Retention Control Points



Critical Skills Retention Bonus (cont'd)

- Only two distribution points:
 - Special Forces: Retention NCOIC, USASOC (Bragg)
 - 10 New MOS's: Mrs. Carroll, Retention Branch
- Authorization Document:
 - 2 page request memorandum from soldier
 - Retention Branch approval memorandum

Combat Zone Tax Exclusion

- Enlistment Bonus: Never CZTE
 - Effective date is date MOS awarded or graduated AIT
 - No MOS producing school is in a combat zone
 - Includes initial payment and all future increments
 - Initial payment is \$7,000 max, set by HQDA (based on retention data analysis)
 - Field finance can pay up to \$7,000 limit



Combat Zone Tax Exclusion (cont'd)

- Selective Reenlistment Bonus
 - Based on soldier status on date reenlisted
 - If in zone, initial\lump sum is CZTE
 - All future increments are CZTE
 - If not in zone, initial and ALL future increments are taxed

Combat Zone Tax Exclusion (cont'd)

- Critical Skills Retention Bonus
 - Based on effective date in approval memorandum
 - Does not matter where soldier is when he APPLIES

Combat Zone Tax Exclusion (cont'd)

- Career Status Bonus
 - Two dates influence CZTE:
 - Date member applies
 - Date member reaches 15 years active duty
 - If applies before 15 years, CZTE is based on 15 year anniversary date (date of payment)
 - If applies AFTER 15 years active duty, CZTE is based on Block 12c of DD Form 2839 (date member signs)
 - CZTE status applies to initial and increments, same as SRB rules

Conclusion

- Covered development of the problems with bonuses
- Discussed current environment
- Discussed FCP deployment improvements
- Covered CZTE for most bonuses
- Any questions?

Contact Information on Bonus Issues

- Policy, Procedures, Guidance
Lance M. Baker (317) 510-3537 DSN 699-3537
lance.baker@dfas.mil (317) 510-2767 fax
- Status of reenlistment action, documentation, bonus:
- TD 00-38 Nina Phillips (317) 510-7027 DSN 699-7027
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- TD 39-61 Anne Woods (317) 510-2829 DSN 699-2829
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- Supervisor: Katy Smith (317) 510-7022 katy.smith@dfas.mil

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